

**HU JINTAO'S ROAD MAP TO
CHINA'S FUTURE**

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From capitalist economy to social democracy

- 1.1 The National Congress of the Chinese Communist Party (CCP), which is held every five years, resembles presidential elections in presidential systems. The Party Congress not only decides all major new policies for the following five years, but also selects the members of the Political Bureau and its Standing Committee, the most powerful decision-making body in China. The 17th Party Congress (from 15 - 21 October) selected 204 members of the Central Committee (CC). The new CC immediately held its first plenum on 22 October and selected the 25 members of the Political Bureau and its Standing Committee (9).
- 1.2 As expected, Hu was re-elected as the General-Secretary of the Central Committee. Xi Jinping (head of Shanghai) and Li Keqiang (head of Liaoning) were elected into the Standing Committee. The two are widely considered to be competitors for Hu's position in 2012. With this major personnel reshuffling, Hu promised to lead the new team to realize the goal of building a "harmonious society" through what the Party calls a "scientific approach".
- 1.3 The black box of China's party politics was eventually opened when members of the Standing Committee were disclosed to the media. The curtain is down, and people within and outside China are beginning to assess the long-term impact of this week-long event on China and the world. In today's world, no other political party is able to wield such a huge internal and external influence as the CCP does. The CCP, now 86 years old, is the largest political party in the world. Its membership has totalled 73 million, larger than the total

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population of France (the second most populous country in the European Union with 64 million people) and Iran (71 million). Of course, the CCP is also governing China's population of more than 1.3 billion, the largest country in the world.

- 1.4 Since the late Deng Xiaoping initiated the reform and open-door policy in the late 1970s, China has achieved unprecedented economic growth of more than 9 percent annually. China is now the third largest economy in the world, after the USA and Japan in terms of total GDP. Furthermore, China is now highly integrated into the world economic system. Whatever happens inside China will generate profound external impacts.
- 1.5 For their own interests, members of the international community have to watch all major developments inside China. But when thousands of journalists from different parts of the world gathered in Beijing to watch the unfolding of the Party Congress, they felt greatly frustrated by the way the party leadership conducted its politics. Their frustration was due partly to the tightened information control, and partly to the difficulties in interpreting the meanings of information released during the event, including Hu Jintao's lengthy report and the terms and concepts he used in the report.
- 1.6 The foreign media have so far overwhelmingly focused on personnel reshuffling at the top level. Journalists and diplomats in Beijing have explored every possible way to find out how the game was being conducted inside *Zhongnanhai*, China's leadership compound. In contrast, most Chinese seem to be more interested in policy matters rather than personnel ones. They are somehow indifferent to who gets the top jobs in the party since they lacked meaningful mechanisms to exercise a say over personnel matters. On the other hand, new policies that the new leadership will implement will greatly affect their daily lives.
- 1.7 Chinese leaders also know their priorities. Whoever is elected to the top job will have to deal with all the challenges China is facing today. Politics in China is more than a competition of power. As indicated in an old Chinese

political saying, cadres become determinant only after the policy line is decided. Therefore, besides their power game, party leaders pay tremendous attention to policy matters. As a matter of fact, the 17th Party Congress has provided a road map for China's future. The goal of development and the means through which that goal can be achieved, as discussed in Hu Jintao's report, indicate that China's development has entered a new stage. That goal is to establish a harmonious society, and social democracy or democratic socialism is the means to achieve that goal.

Dynamics of Party Politics

- 2.1 After Deng Xiaoping came to power, the CCP leadership began to make economic development its highest priority. Deng argued that poverty is not part of socialism. For Deng, if socialism is to survive and develop in China, it has to be able to achieve economic development. After the collapse of communism in the Soviet Union and Eastern Europe, the Chinese leadership felt the urgency to speed up economic development. Deng attributed the collapse of communism in East Europe and the Soviet Union to the inability of the communist regimes to deliver economic goods to its people. In a series of talks during his tour of the south in early 1992, Deng urged CCP cadres and government officials to emancipate their thoughts about socialism. He asked them not to question whether China's development is socialistic or capitalistic and that capitalism was an inevitable stage toward a truly socialist society in China.
- 2.2 The 14th Party Congress in 1992 set the establishment of market economy as the goal of China's economic reform. When economic development became the highest priority, what China called GDPism came into being. Government officials at all levels aggressively pursued rapid economic development as measured by the GDP growth rate, disregarding all other ensuing social and environmental effects.
- 2.3 To promote economic growth, the CCP also gave up its traditional ideology, and pragmatism became prevalent. The private sector and other non-state

sector such as collectives and joint ventures gained strong development momentum with pragmatic guides from the CCP. All these factors -- pragmatism, decentralization, the private sector, globalization (e.g., foreign direct investment) -- have worked together and led to China's economic miracle.

- 2.4 Rapid economic growth has also brought about a growing middle class, including different social groups, such as red capitalists, private entrepreneurs and professionals. These new social groups have played an increasingly important role in promoting and sustaining China's economic development. Moreover, with their rapidly expanding wealth, they want to have their voices heard, and their demands for political participation have grown increasingly strong.
- 2.5 To accommodate their demands, the CCP leadership under Jiang Zemin made great efforts to justify private properties. The government made a constitutional amendment in 1999 to provide, for the first time in the history of the People's Republic, constitutional protection for the private economy. Despite great controversies, the government also passed the Property Rights Bill in March 2007.
- 2.6 More importantly, with the growing middle class, the Party leadership has to broaden its social base. The leadership realized that without the political support from newly rising social classes, the CCP would not be able to survive new socio-economic conditions. While justifying capitalism, the Jiang Zemin leadership also raised a new concept of "three represents" in 2001, implying that the CCP has to represent different social and economic interests. While the CCP traditionally only represented the interests of workers, peasants, soldiers, and government officials, it now has also to represent the interests of various newly rising social groups. The Party leadership allows and encourages private entrepreneurs to join the CCP.
- 2.7 The CCP has been undergoing a drastic transformation from being peasantry- and workers-based to being a "catch-all" party. Party members now come

from increasingly diverse social and economic backgrounds. In the past three decades, the percentage of workers, peasants and soldiers in the CCP has dropped significantly. From 1978 to 2006, the proportion of workers declined from 18.7 percent to 11.1 percent; peasants decreased from 46.9 percent to 31.7 percent; and soldiers dropped from 6.9 percent to 2.2 percent.

- 2.8 In the meantime, proportions of party members from other social backgrounds increased dramatically. White-collar party members (including management personnel and engineers) take 21.4 percent, and party members of private business background take 5.1 percent.
- 2.9 With this policy change, private entrepreneurs began to play an important role in Chinese party politics. It is not difficult to find their representatives sitting in China's major representative bodies such as the People's Congress and Chinese People's Political Consultancy Conference at different levels. This policy change is also reflected in the selection of representatives for the Party Congress this year. For the first time, new economic groups (e.g., chambers of commerce) and new social groups (e.g., lawyers' associations) find their people among the representatives of the Party Congress.
- 2.10 When new social groups became proactive politically, the reaction from traditional social groups was also strong. Workers, peasants and other social groups, which the CCP represented in the past, felt that they were increasingly marginalized in party politics, and their interests were undermined by all these changes made by the Party leadership.
- 2.11 Furthermore, while China has achieved rapid economic growth in the past three decades, socio-economic transformation has also resulted in enormous problems such as widening income disparities among social groups and different regions, environmental degradation, and serious corruption among party cadres and government officials.
- 2.12 In recent years, there have been heated debates within the CCP and among different social groups in China. Chinese liberals among retired party cadres,

government officials, university professors and private entrepreneurs began to demand for radical political reforms. They argued that all the difficulties that China had encountered in deepening its reform were due to the lack of political reform. For them, more globalization, more privatization, and democratization would solve China's problems. Radical advocates such as the former Vice President of the People's University Xie Tao urged the Party leadership to give up communist rule and adopt the European type of democratic socialism.

- 2.13 On the other hand, the rise of the Left is also evident. The old Left, which consists of retired old revolutionaries and ideologues, began to appeal to Maoist social justice. The new Left, which is strong among young intellectuals and students, demands social justice through income redistribution on the part of the state. Maoism becomes appealing among weak social groups such as urban workers, migrant rural workers, and farmers. China is now experiencing a new wave of social protests, with about 70,000 to 100,000 social protests (or *qunti shijian* in Chinese) taking place every year. If the new Left and disgruntled social groups were to join hands, they will form a formidable force with political significance.
- 2.14 Increasingly high pressure from both the Left side and the liberal side and their political significance has forced the Party leadership to respond. Prior to the National People's Congress in March this year, the leadership took the pre-emptive measure of controlling controversies among representatives in order to guarantee the passing of the Property Rights Bill. Premier Wen Jiabao published a 5,000-word article in his personal name. Wen argued that China is still in a primary stage of socialism, and economic development needs to continue to be given priority. Difficulties that China faces today have to be solved and social justice can only be achieved through further development.
- 2.15 However, this does not stop controversies within the CCP and among social groups. While the Party leadership has continuously emphasized the importance of "unification" of thoughts among party cadres and government officials, it is virtually an impossible mission. When the CCP accommodates

different social and economic interests, ideological pluralism becomes inevitable within the party. The leftists in the party began to criticize Dengism which brought capitalism into China and Jiang Zemin's "three represents" theory which brought capitalists into the Party.

- 2.16 Such a situation requires that the Party leadership establishes a road map for China's future so that uncertainties among social groups can be reduced and consensus achieved. Of course, this also applies to the international community due to the rise of "China uncertainties" in recent years.
- 2.17 In his report to the Party Congress, Hu Jintao urged party cadres and government officials as well as social groups to emancipate their thoughts when they think about China's future. He told them that there are no ready answers to all important questions such as what socialism is, and how to develop socialism; what the CCP as a political party should be built upon, and how to build the party; what kind of development should China pursue and how to pursue development. It is important to point out that all these were stated previously. The CCP defined socialism, itself, and China's development model. These concepts now become open, and can be redefined in accordance to changing internal and external environments.
- 2.18 Hu emphasized that regardless of the difficulties China is facing now, there is no turning back. Hu particularly pointed to disastrous consequences of the Cultural Revolution and leftism, and argued that the only choice China has is to go ahead. Of course, China must have a right direction, and that right direction should be guided by sustainable development, democracy and social justice.
- 2.19 According to Hu, development must continue to be given high priority. Without development, China will not be able to overcome all the difficulties she faces now. However, development has to be sustainable. To achieve sustainable development, China has to adopt a scientific approach to balance economic and social development, and is environment friendly.

- 2.20 More importantly, development has to be people-oriented. In other words, Chinese socialism is humanitarian socialism. Humanitarian socialism was raised in the 1980s by liberal intellectuals under the auspices of Hu Yaobang, then the General-Secretary of the CCP Central Committee. However, the concept was seriously criticized by party conservatives and regarded as a part of the so-called bourgeois liberalization. Since Hu Jintao came into power in 2002, his pro-people policy has justified humanitarian socialism which aims to promote social justice and human rights. Certainly, it seems to the Party leadership that only when development is people-oriented could the goal of harmonious society be achieved.
- 2.21 Apparently, here, Hu Jintao attempted to reconcile the demands from the pro-development liberals and the pro-social justice new Left. However, the question is how development can lead to social justice in China. Hu's answer is social democracy. Although the Party leadership has been talking about Chinese democracy for decades, it is the first time that the Party places social democracy in the context of the realization of social justice. In Hu's report, social democracy connotes a wide range of political development such as rural democracy, grassroot participation and intra-party democracy.
- 2.22 It is worth noting that in the context of developing social democracy, China is increasingly interested in the European model of development. In recent years, the Chinese government has sent enormous delegations to Europe to examine the European practice of social democracy or democratic socialism. The Central Party School, where all high rank senior party cadres and government officials are trained, has become the centre for advocating social democracy. While the Party leadership continues to be suspicious about the multiparty system in Europe, it has begun to explore how one party (CCP) can represent different social and economic interests.

New leadership politics

- 3.1 At the leadership level, Hu Jintao faces two major tasks. First, he has to re-organize his team for effective policy implementation. In his first five-year

term, Hu and his team had initiated various new policies centred on the key concepts of “harmonious society” and “scientific approach to development”. However, resistance from various fronts were strong, and policy performance lagged far behind people’s high expectations. Some measures to overcome resistance were taken, such as the removal of the Shanghai Head Chen Liangyu. For the Party Congress, Hu had to bring new people into his team to consolidate his power and expand the political support for his new policy initiatives.

- 3.2 A second and even more important task is to plan for power succession in 2012. According to China’s Constitution and other informal rule of politics such as age limits, Hu Jintao will have to retire from his positions in the Party, the State and the Military in 2012/13. That means that Hu and his leadership team have to begin to groom the next generation of leadership before it is too late. This task has proved even more difficult after the passing of strongmen such as Mao Zedong and Deng Xiaoping since post-strongman leaders such as Jiang Zemin and Hu Jintao are not empowered to appoint their heirs apparent.
- 3.3 Hu and his team have performed these two tasks through the 17th Party Congress. Among 25 members of the Political Bureau, 10 are new faces (see Table 1). Apparently, these new appointees are largely from the two most powerful political forces in today’s China, namely, what has been called the *taizidang* (Princelings, or officials who are the offspings of veteran revolutionaries, Table 2) and the *Tuanpai* (the Communist Youth League faction, Table 3). The Hu Jintao-Wen Jiabao team has been popular among the people since they came to power in 2002. However, due to the lack of democratic elections, their high popularity cannot be converted to strong political support at different levels of party organizations and government bodies.

TABLE 1 THE NEW LEADERSHIP LINE-UP (2007)

The Standing Committee of the Political Bureau (9) Hu Jintao Wu Bangguo Wen Jiabao Jia Qinglin Li Changchun Xi Jinping* Li Keqiang* He Guoqiang* Zhou Yongkang*
The Political Bureau (25) Xi Jinping* Wang Gang* Wang Lequan Wang Zhaoguo Wang Qishan* Hui Liangyu Liu Qi Liu Yunshan Liu Yandong* Li Changchun Li Keqiang* Li Yuanchao* Wu Bangguo Wang Yang* Zhang Gaoli* Zhang Dejiang Zhou Yongkang Hu Jintao Yu Zhengsheng He Guoqiang Jia Qinglin Xu Caihou* Guo Baixiong Wen Jiabao Bo Xilai*

**denotes new member*

- 3.4 Therefore, political support from major political forces is the key for effective leadership and policy implementation. The appointments of the *Tuanpai* and *Taizidang* political figures are undoubtedly favourable for effective leadership

and policy implementation. Among the Political Bureau members, Xi Jinping (head of Shanghai), Wang Qishan (mayor of Beijing), Liu Yandong (head of the Department of the United Front), Yu Zhengsheng (head of Hubei) and Bo Xilai (commerce minister) are widely regarded as representing the *Taizidang*, while Li Keqiang (head of Liaoning), Li Yuanchao (head of Jiangsu), Wang Yang (head of Chongqing), and Wang Zhaoguo (Vice Chairman of the Standing Committee of the National People's Congress) represent the *Tuanpai*. Needless to say, the two groups overlap each other. For example, Liu Yandong and Li Yuanchao come from high ranking revolutionary families, and are associated with the Communist Youth League.

TABLE 2 THE RISE OF THE *TAIZIDANG* (PRINCELINGS)

The rise of Xi Jinping has surprised many observers. However, Xi Jinping should not be regarded as a dark horse if one has paid close attention to the rise of *Taizidang*, a wide political network among offsprings of veteran revolutionaries.

The *Taizidang* was sidelined in the 1980s when Deng Xiaoping was in power. Chinese people had ill feelings about the *Taizidang* at that time since many of them engaged in rent-seeking activities and became rich through their fathers' *guanxi* (or connections). However, many *Taizidang* members, such as Xi Jinping, Bo Xilai and Liu Yandong, were politically ambitious. They gave up opportunities to get rich and accepted low positions in various local party organizations and governments. Over the years, they became experienced in managing party and government affairs. After Jiang Zemin came to power after the 1989 Tiananmen event, *Taizidang* members began to come onto China's political stage. Today, its members occupy important positions in the areas of politics, economy, military and social organizations.

To a great degree, the *Taizidang* is the most powerful political force in today's China. The *Taizidang* can somehow be interpreted as "royal families" of the Chinese Communist Party and its members are regarded as loyal to the regime that their fathers established. The *Taizidang* also gets strong support from old revolutionaries, most of whom are retired from Party and government positions.

TABLE 3 THE REVIVAL OF THE TUANPAI

In China, the *Tuanpai* (Communist Youth League) is regarded as a mass organization. However, in reality, it is the most important training ground for the Chinese Communist Party. Today, there are 73.5 million members in the *Tuanpai*, similar to the CCP. In 2006, 1.1 million Communist Youth League members joined the CCP.

The *Tuanpai* came to play an important role in Chinese power politics in the 1980s when Hu Yaobang, who used to be the head of the Communist Youth League, was selected as the General-Secretary of the CCP Central Committee by Deng Xiaoping. Hu was very popular among the Chinese, especially intellectuals due to his liberal mind. But his liberal political stand also offended party conservatives. After several waves of the so-called “bourgeois liberalization” in the middle 1980s, Hu was ousted by party conservatives. His death in 1989 triggered the nationwide pro-democracy movement. The 1989 event also led to the fall of another important Communist Youth League figure, Hu Qili.

After Jiang Zemin was appointed the General-Secretary of the CCP Central Committee in the aftermath of the Tiananmen event, many technocrats were recruited into party and government leaderships since they were not less ideological than the cadres with the Communist Youth League background. Hu Jintao, who also used to be the head of the Communist Youth League, was selected by Deng Xiaoping into the Standing Committee of the Political Bureau at the 14th Party Congress in 1992. Nevertheless, the 1990s was an age for technocrats. The influence of the Communist Youth League was not visible at the leadership level.

Since Hu Jintao became the General-Secretary of the CCP Central Committee, cadres with the Communist Youth League background have been speedily promoted into party and government leaderships at all levels. They have become an important pillar in the Political Bureau, and they are even more powerful at the provincial level as many party secretaries and governors are from the Communist Youth League family.

Hu Chunhua (44) was appointed as the new Secretary of the Communist Youth League early this year. Hu, a graduate of Beijing University, spent 20 years in Tibet, and was a deputy head of Tibet for a number of years before coming to his current position. He is widely regarded as a core member of the future party leadership.

- 3.5 The line-up of the new leadership also shows a delicate power balance. The decline of the so-called Shanghai faction is visible. Huang Ju (Vice Premier) died early this year, and Chen Liangyu was removed after he was charged for corruption. Zeng Qinghong, due to his age, stepped down. However, some influence still remains as Jiang's associates Zhang Dejiang (head of Guangdong) and Zhang Gaoli (head of Tianjin) are appointed members of the Political Bureau. The most important power balance is between the *Tuanpai* and *Taizidang*.
- 3.6 Besides the *Tuanpai* and *Taizidang* balance, there are balances between the centre and the provinces and between the eastern coastal and inland provinces. Among the four newly appointed members of the Standing Committee, He Guoqiang (head of CCP's Department of Organization) and Zhou Yongkang (Minister of Public Security) represent the centre since both have been in the Political Bureau for five years. Xi Jinping and Li Keqiang represent the provinces and both have so far worked in various provinces across China. While most Political Bureau members continue to be from the eastern coastal provinces and central bureaucracies, the appointment of Wang Yang (head of Chongqing and a close associate of Hu Jintao) into the Political Bureau indicates the significance of the inland provinces. Besides Wang Yang, Wang Lequan (head of Xinjiang) continues to sit in the Political Bureau.
- 3.7 In terms of power succession, the 17th indicates the beginning of a new era, namely, "collective leadership". Hu Jintao's predecessor Jiang Zemin was not able to appoint his successor since Hu himself was chosen by Deng Xiaoping. However, Jiang was able to assemble his loyal political supporters and form the Shanghai faction. It seems that Hu is not following the path of Jiang. In his report, Hu emphasized the importance of "collective leadership". There will surely be successors, but they will not be appointed by Hu Jintao himself. Instead, future successors will be selected collectively, a symbol of intra-party democracy.
- 3.8 Xi Jinping and Li Keqiang, two new recruits of the Standing Committee, are regarded as successors in 2012. If everything goes smoothly, Xi is likely to

assume Zeng Qinghong's position and take charge of party affairs while Li will take over Huang Ju's position as Vice Premier in charge of economic affairs. If they perform well in the following years, then Xi is likely to succeed Hu Jintao as General-Secretary at the 18th Party Congress in 2012 while Li will succeed Wen Jiabao as Premier at the National People's Congress in 2013. Of course, there are still uncertainties. Competition inside the CCP is becoming increasingly intensive. There is competition not only between Xi and Li, but also between them and other powerful members in the Political Bureau such as Li Yuanchao and Wang Yang.

Political competition and intra-party democracy

- 4.1 China is now at a critical stage in terms of political development. While the growing middle class has begun to demand for political participation, less privileged social groups such as urban workers, migrant rural workers and farmers also want political participation for social justice. To broaden its social support, the CCP has accommodated different social classes under the frame of one-party rule. The CCP is willing to represent different social and economic interests, but how it can actually represent these interests is a major challenge for the CCP. To represent these very different interests, the CCP has to appeal to democratic mechanisms. In this sense, one can argue that when the CCP allowed private entrepreneurs to join the party, China is making its first step towards democratization.
- 4.2 Within the CCP, the motion towards democracy is even more dynamic. At the 17th Party Congress, the election of Political Bureau and its Standing Committee members continued to use the method of the *deng'e xuanju*, meaning that the Party only nominated one candidate for one post. But the method of the *cha'e xuanju* (competitive election) was used to elect the 204 members of the Central Committee. The number of nominated candidates was 8 percent more than the number of posts.
- 4.3 More importantly, power competition among different political forces within the CCP tends to be intensive. At this party congress, it was reflected in the

competition between the *Tuanpai* and *Taizidang*. It is worth noting that both the *Tuanpai* and *Taizidang* are wider based than the conventional concept of “factions” like the Shanghai faction. They are major political forces in today’s China. Competition between different political forces has gained de facto legitimacy, but has not been formalized. Within China, scholars have begun to discuss why different “factions” within the party should be formalized through democratic mechanisms.

- 4.4 Democratic mechanisms are even much needed for political succession. When no single leader can appoint his/her own successor, democracy has to come in. So far, the selection of successors within the Party has been based on consensus politics among different political forces. Nevertheless, consensus politics is very elitist. It is a top-down approach and could be destabilizing. For example, who will be Hu Jintao’s successor, Xi Jinping or Li Keqiang? The two have similar performances. Even within the *Tuanpai*, competition is also there. For example, competition between Li Keqiang and Li Yuanchao. There will be a deadlock if different political forces cannot reach a consensus. When a deadlock takes place, democracy becomes the solution.
- 4.5 While political participation by different social and economic interests is pushing China’s democratization, the CCP is not likely to accept any Western style of democracy. What the leadership called “socialist democracy” is a mixture of many democratic practices such as intra-party democracy, managed elections, urban and rural elections. Indeed, like its economic reform, China’s political reform is also a game of what Deng Xiaoping called “crossing the river by feeling for the stone”.